

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00 L-03
FEA-01 /029 W
-----030453Z 099707 /22
R 022200Z MAY 77
FM AMEMBASSY LIMA
TO SECSTATE WASHDC 4651

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E.O. 11652: N/A
TAGS: EAIR, US, PE
SUBJ: CIVAIR: DISCUSSION ON USER CHARGES AND FUEL PRICES

REF: STATE 77031

1. ECON OFF QUERIED CORSO REGARDING HIS ABILITY TO PROVIDE COST FIGURES JUSTIFYING CURRENT PRICE OF JET FUEL TO FOREIGN AIRLINES. CORSO WAS APOLOGETIC BUT SAID THAT POLICY OF ENERGY AND MINES MINISTRY WOULD NOT PERMIT HIM TO PROVIDE THE REQUESTED DATA.

2. ECON OFF THEN RAISED QUESTION WITH ENERGY AND MINES VICE MINISTER TORD WHO CLAIMED DATA WAS PROPRIETARY GOP INFORMATION WHICH COULD NOT BE RELEASED TO US. ON QUESTION OF DISCRIMINATORY FUEL PRICES, TORD REPEATED CORSO'S POINT THAT FUEL PRICES CHARGED FOREIGN AIRLINES ARE SET IN ORDER TO RECOVER COSTS. WHEN ECON OFF NOTED THAT U.S. IS CONCERNED THAT THIS PRACTICE IS CONTRARY TO "FAIR AND EQUAL OPPORTUNITY" CLAUSE OF BILATERAL, TORD, AS EXPECTED, CLAIMED THAT PERU WAS ONLY DOING WHAT MANY OTHER NATIONS DO, I.E. SUBSIDIZE THEIR NATIONAL AIRLINES. HE AGREED, HOWEVER, THAT SUBSIDY SHOULD BE MORE OPEN AND NOT HIDDEN THROUGH USE OF SPECIAL FUEL PRICES TO AEROPERU. HE CLAIMED THAT HIS MINISTRY

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WOULD PREFER TO CHARGE SAME FUEL PRICE TO ALL LINES AND SAID HE WOULD RECOMMEND THIS.

3. ON QUESTION OF RECIPROCAL EXEMPTION FROM FUEL TAXES ON INTERNATIONAL AVIATION, TORD PLEADED IGNORANCE ON ISSUE. WE PLAN TO PURSUE THIS WITH ECONOMY AND FINANCE MINISTRY AT APPROPRIATE OPPORTUNITY.

4. COMMENT: A. WE BELIEVE THAT SUCCESSFUL OUTCOME OF ONGOING DISCUSSIONS BETWEEN AEROPERU AND BRANIFF OVER FLIGHT SCHEDULES AND ASSISTANCE PROGRAM FOR AEROPERU MAY FAVORABLY AFFECT U.S. OBJECTIVES IN USER CHARGES/FUEL PRICE QUESTION. CONVERSELY, UNDUE PRESSURE FROM U.S. ON LATTER ISSUE COULD ADVERSELY AFFECT OBJECTIVES IN BRANIFF/AEROPERU TALKS. THUS WE BELIEVE THAT FURTHER REPRESENTATIONS ON FUEL PRICE/USER CHARGE ISSUE SHOULD AWAIT FURTHER DEVELOPMENTS IN AEROPERU/BRANIFF TALKS. IN PARTICULAR, WE BELIEVE ISSUE OF DOMESTIC FARE ADVANTAGE TO PASSENGERS WHO TRAVEL ON AEROPERU INTERNATIONALLY IS A QUESTION THAT CAN BE HANDLED MORE EFFECTIVELY WITHIN THE BILATERAL DISCUSSIONS BETWEEN THE AIRLINES. CONSEQUENTLY WE HAVE NOT RAISED THE SUBJECT IN THIS ROUND OF REPRESENTATIONS.

B. IN VIEW OF CORSO AND TORD'S INDICATIONS THAT THEY WOULD PREFER CHARGING SAME FUEL PRICE TO ALL AIRLINES, THERE EXISTS POSSIBILITY THAT WE MAY EVENTUALLY BE SUCCESSFUL IN OUR REPRESENTATIONS, IN ANY CASE, GOP IS NOW AWARE OF USG CONCERN ON FUEL PRICE/USER CHARGE ISSUE.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIRPORT FEES, JET FUEL, PRICES, AIRLINES
Control Number: n/a
Copy: SINGLE
Sent Date: 02-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LIMA03577
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770153-1250
Format: TEL
From: LIMA
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t197705104/aaaadmgl.tel
Line Count: 85
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ee41e287-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 77031
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Apr-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2332957
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: DISCUSSION ON USER CHARGES AND FUEL PRICES
TAGS: EAIR, US, PE
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/ee41e287-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009